

Istook Bill Expanding Tax Credits for OKC Empowerment Zone Passes House

Washington, DC -- The U.S. House of Representatives passed legislation yesterday authored by Congressman Ernest Istook (R-OK) that would expand eligibility for the New Markets Tax Credit which enables investors to receive federal tax credits for up to 39% of their investment in designated areas. The bill, H.R. 4193, will specifically affect two census tracts in the Oklahoma City Empowerment Zone, one including the historic Skirvin Hotel and another including the Oklahoma City Health Center.

“We are correcting a technical glitch which kept Oklahoma City from taking full advantage of its empowerment zone designation,” said Istook. **“Current law created a ‘catch-22’ where an area wasn’t eligible unless it had a 20% poverty rate even in areas where there is no population.”**

The OKC Empowerment Zone currently includes 20 square miles and covers areas surrounding downtown Oklahoma City, stretching from NE 36th and Martin Luther King Avenue down to SW 29th Street and Portland Avenue. The 2002 designation of the area as an empowerment zone by the U.S. Department of Housing and Urban Development allows businesses in the area to claim a variety of tax credits and incentives including the New Markets Tax Credit, wage credits, welfare to work credits, capital gains credits, and special bond financing.

Currently two census tracts in the OKC empowerment zone are omitted from eligibility for New Market Tax Credits because they have zero or low population. Istook’s bill corrects that problem by amending the tax code so that contiguous areas with population less than 2,000 are eligible. The two tracts in question contain key Oklahoma landmarks and businesses such as the Myriad Convention Center, the Skirvin Hotel, and the First National Center. The second tract includes the Presbyterian Foundation and Research Park, the University of Oklahoma Health Center, and the Oklahoma Blood Institute.

Last year, Istook conducted a walking tour through the OKC empowerment zone educating business owners about the tax incentives available to them under the designation.

“Bureaucratic technicalities shouldn’t keep us from helping these distressed areas,” said Istook. **“I’m working to make sure that Oklahoma City can make the most of its empowerment zone designation. It’s an important tool for spurring economic development.”**

The bill now moves to the Senate for consideration.